MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016/2017

UNL1622 – CONTRACT LAW II

(All Sections / Groups)

01 MARCH 2017
Reading Time : 9.00 a.m. – 9.15 a.m.
(15 Minutes)
Answering Time: 9.15 a.m. – 12.15 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 5 pages with 5 Questions only.

3. Attempt **FOUR** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.

4. Students are allowed to bring into Examination Hall CLEAN and ORIGINAL copy of:

   (i) Contracts Act 1950
   (ii) Specific Relief Act 1950 (Revised 1974)
   (iii) Civil Law Act 1956 (Revised 1972)

   Students are not allowed to lend or borrow statute(s) during the Examination.

5. Please write all your answers in the Answer Booklet provided.

QUESTION 1

(a) Through the passage of time, the English courts have recognised that the doctrine of duress should not be so limited. Existence of "Siboen" and the "Sibotre" case have indeed led to the development of the concept of "economic duress". Does Malaysia apply economic duress as well?
Discuss.

(10 marks)

(b) Amuro loves Fray very much and they have been going steady for the past four years. Amuro really worships Fray and to him, she is the light of his heart. One day Amuro returns from work and told Fray that Char was suing him for the loan of RM100,000.00 which he has yet to repay. Fray advised Amuro to sell his house to her for RM100,000.00 and her wish was Amuro command. As always, Amuro will followed Fray's instruction. The said transfer was executed in the presence of Amuro's lawyer. Seven months later, Fray left Amuro to marry her new boyfriend Haroharo. Amuro's heart was shattered and he could not believe the fact that Fray would ever leave him. With a broken heart, Amuro came to accept the separation and wants to set aside the transfer of the said property to Fray. The market value of the bungalow at the time of the transfer was RM1,000,000.00.

Advise Amuro.

(15 marks)

(Total: 25 marks)

Continued...

QUESTION 2

(a) "The correct principle to apply is...where it was stipulated that at law, there are only two standard of proof, namely beyond reasonable doubt for criminal cases and on the balance of probabilities for civil cases. As such, even if fraud is the subject in a civil claim, the standard of proof is on the balance of probabilities. There is no third standard..."
-Sinnaiyah & Sons Sdn. Bhd. v Damai Setia Sdn. Bhd. [2015] 7 CLJ 584

Based on the statement above, critically discuss the burden and standard of proof for fraud with the help of decided cases.

(10 marks)

(b) Ash, who just won a lottery, intended to buy a Mercedes Benz of any series as a reward for him. He visited a showroom of Pokedex Sdn. Bhd. at Melaka. The show room was not crowded and Ash was immediately attended to by Misty who introduced herself as a senior saleswoman. She briefed Ash on various features of Mercedes Benz SLK and emphasised that it was a 2016 latest model which comes along with GPS, and available in solid white colour (Ash's favourite colour). Ash asked for a brochure of the said car but Misty told him that they had no such car available to test drive. Ash agreed to buy the car at the price of RM300,000.00.

Upon delivery of the car, Ash was shocked to discover that the car is not Mercedes Benz SLK but instead it is a black C-Class with no GPS. To make matter worse, he also found out that it does not come out with tinted package so Ash need to pay extra to tint his car's window which is a drawback for him.

Advise Ash.

(15 marks)

(Total: 25 marks)

Continued...

QUESTION 3

In any society, the members of the society choose to abide by rules designed to enhance the quality of life of that group. Violations of the rules are typically met with some form of negative consequence imposed by the group members. In some cases, rules of conduct are passed down to successive generations by societal mores. In other cases, the rules are expressly stated in the written laws governing the society. One of the important duties of the courts is the enforcement of societal laws. It is also the job of the courts to enforce contracts.

In light of the above statement and the relevant provisions and case law, discuss the available remedies for a voidable contract in Malaysia.

(Total: 25 marks)

QUESTION 4

Discuss the most appropriate remedies available in the following separate situations:

(a) Azizah agreed to sell her house and lot to Devi but later on she found another buyer who is willing to pay a higher purchase price. Later, she refuses to sell the property to Devi.

(5 marks)

(b) Misha entered into an agreement whereby she agreed to sing and dance in Tom's nightclub for one month. However she then refuses to perform.

(5 marks)

(c) Haris entered into a sale and purchase agreement wherein he agreed to purchase an antique coin owned by Eric. At the last minute, Eric decides to keep his coin collection intact and refuses to deliver the coin to Haris.

(5 marks)

Continued...

(d) Kaya Raya Sdn. Bhd. has three shareholders: Fazihan, who owns 48 percent of the stock; Chan, who owns another 48 percent; and Rayyan, who owns 4 percent. Rayyan contracts to sell her 4 percent to Chan. Later, Rayyan refuses to transfer the shares to Chan.

(5 marks)

(e) Jeffry purchased a used car from Quality Autos. The salesperson at the lot assured Jeffry that his car had never involved in an accident. While looking through his car's glove box a week after purchasing it, Jeffry discovered repair receipts that indicated the car was involved in a major accident before.

(5 marks)

(Total: 25 marks)

QUESTION 5

(a) "*Quantum meruit* means as much as he deserved. It is an expression that describes the extent of liability on a contract implied by law." -*The Black Law Dictionary*

Discuss about the application of the above principle in contract law in Malaysia.

(10 marks)

Continued...

(b) Global Worldly Sdn. Bhd., a private limited company had entered into an agreement with Buat Duit Sdn. Bhd. who is a contractor to build roads and drains on pieces of land owned by Global Worldly Sdn. Bhd. The tenure of the agreement was for a period of three years and the contract sum was for RM2.6 billion. However, due to unavoidable circumstances, the agreement could not be completed within the stipulated time and a supplementary agreement was entered into in order to extend the time for completion. Unfortunately, the works did not proceed according to the schedule because there were several obstructions on the land. There were also delays and these delays were said to be due to Buat Duit Sdn. Bhd. Global Worldly Sdn. Bhd. was not satisfied with Buat Duit Sdn Bhd's work. Unhappy with the progress at the site, Global Worldly Sdn Bhd terminated the agreement with Buat Duit Sdn. Bhd. by a notice of termination letter. Upon receipt of the notice of termination, Buat Duit Sdn. Bhd. made a demand for payment from Global Worldly Sdn Bhd.

Advise Global Worldly Sdn. Bhd.

(15 marks)

(Total: 25 marks)

End of Page